

Townunit Limited

Report and Financial Statements

Year Ended

31 July 2016

Company Number 02478541

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COMPANIES HOUSE

Townunit Limited

Company Information

Directors	M B Birrane H J Dawson A P Birrane S A Birrane M D Breeze R C Mander
Company secretary	M D Breeze
Registered number	02478541
Registered office	The Peer Suite The Hop Exchange 24 Southwark Street London SE1 1TY
Independent auditors	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

Townunit Limited

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Townunit Limited

Directors' Report For the Year Ended 31 July 2016

The directors present their report together with the audited financial statements for the year ended 31 July 2016.

Principal activities

The principal activity of the company is the letting of properties for commercial purposes.

Results and dividends

The loss for the year, after taxation, amounted to £418,010 (2015 - profit £931,675).

The directors do not recommend the payment of a final dividend (2015 - £Nil).

Directors

The directors who served during the year were:

M B Birrane
H J Dawson
A P Birrane
S A Birrane
M D Breeze
R C Mander

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

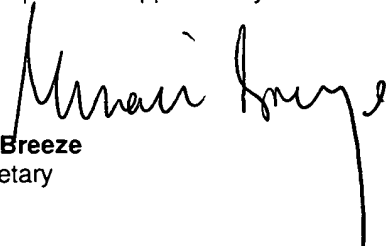
- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small company exemption provided by section 415A of the Companies Act 2006.

This report was approved by the board on 8 December 2016 and signed on its behalf.



M D Breeze
Secretary

Townunit Limited

Directors' Responsibilities Statement For the Year Ended 31 July 2016

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Townunit Limited

Independent Auditor's report to the members of Townunit Limited

We have audited the financial statements of Townunit Limited for the year ended 31 July 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Townunit Limited

Independent Auditor's report to the members of Townunit Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the Directors' Report in accordance with the small companies regime and to the exemption from the requirement to prepare a Strategic Report.



John Everingham (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Gatwick
United Kingdom

08 December 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Townunit Limited

Statement of Comprehensive Income For the Year Ended 31 July 2016

	Note	2016 £	2015 £
Turnover	4	246,747	232,971
Administrative expenses		(54,283)	(55,844)
Operating profit	5	192,464	177,127
Investment property fair value movements		(725,000)	1,100,000
Interest payable and similar charges	7	(7,940)	(157,018)
(Loss)/ profit on ordinary activities before taxation		(540,476)	1,120,109
Taxation on (loss)/ profit on ordinary activities	8	122,466	(188,434)
(Loss)/ profit for the financial year		(418,010)	931,675
Other comprehensive income		-	-
Total comprehensive income for the financial year		(418,010)	931,675

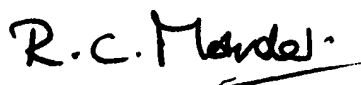
The notes on pages 8 to 18 form part of these financial statements.

Townunit Limited
Registered number:02478541

Statement of Financial Position
As at 31 July 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	9	7,605,000	8,330,000
Current assets			
Debtors: amounts falling due within one year	10	16,214	288,037
Cash at bank and in hand		28,925	12,005
		<u>45,139</u>	<u>300,042</u>
Creditors: amounts falling due within one year	11	(2,042,012)	(127,119)
Net current (liabilities)/assets		<u>(1,996,873)</u>	<u>172,923</u>
Total assets less current liabilities		<u>5,608,127</u>	<u>8,502,923</u>
Creditors: amounts falling due after more than one year	12	-	(2,316,786)
Provisions for liabilities			
Deferred tax	13	(518,959)	(678,959)
		<u>(518,959)</u>	<u>(678,959)</u>
Net assets		<u><u>5,089,168</u></u>	<u><u>5,507,178</u></u>
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account	15	5,089,068	5,507,078
Total equity		<u><u>5,089,168</u></u>	<u><u>5,507,178</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 December 2016.



R C Mander
Director

The notes on pages 8 to 18 form part of these financial statements.

Townunit Limited

Statement of Changes in Equity For the Year Ended 31 July 2016

	Called up share capital £	Profit and loss account £	Total equity £
At 1 August 2015	100	5,507,078	5,507,178
Comprehensive income for the year			
Loss for the year	-	(418,010)	(418,010)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(418,010)	(418,010)
At 31 July 2016	100	5,089,068	5,089,168

Statement of Changes in Equity For the Year Ended 31 July 2015

	Called up share capital £	Profit and loss account £	Total equity £
At 1 August 2014	100	4,575,403	4,575,503
Comprehensive income for the year			
Profit for the year	-	931,675	931,675
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	931,675	931,675
At 31 July 2015	100	5,507,078	5,507,178

The notes on pages 8 to 18 form part of these financial statements.

Townunit Limited

Notes to the Financial Statements For the Year Ended 31 July 2016

1. General information

Townunit Limited is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Company Information Page and the nature of the company's operations and its principal activity is disclosed in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention modified to include investment properties at fair value and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 19.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 33 Related Party Disclosure paragraph 33.7.

This information is included in the consolidated financial statements of Peer Group plc as at 31 July 2016 and these financial statements may be obtained from The Peer Suite, The Hop Exchange, 24 Southwark Street, London, SE1 1TY.

2.3 Going concern

The company has net current liabilities at the year end. The directors believe that the company will continue as a going concern for the next 12 months due to the confirmation by other group undertakings not to call for repayment of any amounts owed. The company will be able to meet all commitments as they fall due and on the basis of this believe that it is appropriate to prepare financial statements on a going concern basis

2.4 Turnover

Turnover of the company represents rents receivable and fees receivable. Rent receivable from operating leases, including lease incentives awarded, are recognised on a straight line basis over the term of the relevant lease.

Townunit Limited

Notes to the Financial Statements For the Year Ended 31 July 2016

2. Accounting policies (continued)

2.5 Investment property

Investment property is carried at fair value. Revaluation surpluses are recognised in the Statement of Comprehensive Income. No depreciation is provided. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Townunit Limited

Notes to the Financial Statements For the Year Ended 31 July 2016

2. Accounting policies (continued)

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Townunit Limited

Notes to the Financial Statements For the Year Ended 31 July 2016

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Critical judgements in applying the company's policies

The directors do not feel that they have made any critical judgements in the year in the process of applying the company's accounting policies, apart from those involving estimations (which are dealt with separately below).

Key sources of estimation uncertainty

The key assumptions or estimation uncertainties at the Statement of Financial Position date that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year, are discussed below.

Investment property valuation

As investment property is carried at fair value, an exercise to determine fair value is performed by the directors.

Fair value is determined by an annual directors' valuation, undertaken by Howard Dawson. Howard Dawson is a chartered surveyor and registered valuer and the valuations are governed by recommended practice as issued by the Royal Institute of Chartered Surveyors.

Periodically the company's lenders require its portfolio to be valued by an external valuer and its valuation is used to underpin the directors' valuation where relevant.

Investment property valuations are underpinned by a number of key assumptions. The key assumptions are derived using a blend of market evidence and professional judgement. Key assumptions in determining the fair value are:

- Yield
- Estimate Rental Values
- Void periods
- Tenant actions at lease event dates

The fair value of the investment property is included in note 10.

4. Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

5. Operating profit

Fees payable to the company's auditor for the audit for the company's annual accounts have been borne by the company's parent, Peer Group Plc.

6. Employees

The company has no employees other than the directors, who did not receive any remuneration (2015 - £Nil).

Townunit Limited

Notes to the Financial Statements For the Year Ended 31 July 2016

7. Interest payable and similar charges

	2016 £	2015 £
Bank loans	7,940	157,018

8. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	37,547	1,885
Adjustments in respect of previous periods	(13)	-
Total current tax	37,534	1,885
Deferred tax		
Origination and reversal of timing differences	(160,000)	186,549
Taxation on (loss)/profit on ordinary activities	(122,466)	188,434

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.67%). The differences are explained below:

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	(540,476)	1,120,109
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.67%)	(108,095)	231,488
Effects of:		
Expenses not deductible for tax purposes	750	-
Adjustments to tax charge in respect of previous periods	(13)	-
Group loss relief/losses utilised in period	(107)	-
Transfer pricing adjustment	-	(5,275)
B/fwd losses utilised in period	-	(4,328)
Timing difference in relation to accelerated capital allowances	-	(28)
Timing difference in relation to indexed capital gains	(160,000)	186,577
FRS 102 adjustment for non taxable revaluation gain	144,999	(220,000)
Total tax charge for the year	(122,466)	188,434

Townunit Limited

Notes to the Financial Statements For the Year Ended 31 July 2016

9. Tangible fixed assets

	Freehold land and buildings £
Cost or valuation	
At 1 August 2015 and 31 July 2016	8,330,000
Deficit on revaluation	(725,000)
At 31 July 2016	7,605,000

The valuations of the investment properties were made as at 31 July 2016 by Mr H Dawson FRICS, a director of the company, on an open market basis. No depreciation is provided in respect of these properties.

On an historical cost basis these would have been included at an original cost of £1,412,797 (2015 - £1,412,797).

10. Debtors

	2016 £	2015 £
Trade debtors	1,810	2,147
Amounts owed by group undertakings	-	272,295
Other debtors	134	-
Prepayments and accrued income	14,270	13,595
	16,214	288,037

All amounts shown under debtors fall due for payment within one year.

Townunit Limited

Notes to the Financial Statements For the Year Ended 31 July 2016

11. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts (secured - see note 12)	-	74,498
Trade creditors	-	10,474
Amounts owed to group undertakings	1,953,616	-
Corporation tax	37,447	1,885
Other creditors	30,974	30,164
Accruals and deferred income	19,975	10,098
	<u>2,042,012</u>	<u>127,119</u>

12. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans (secured)	-	2,316,786

Maturity of debt:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	-	74,498
Amounts falling due 1-2 years		
Bank loans	-	79,420
Amounts falling due 2-5 years		
Bank loans	-	2,237,366

The prior year loans totaling £2,391,284 were part of facilities totaling £25,922,067, made available to the company and two fellow subsidiary companies.

During the year the facilities were renewed, with all of the debt now residing within one fellow subsidiary company. The lender continues to have a charge over the investment properties and a floating charge over the whole undertaking of the company. All interest on the loans is borne by that subsidiary undertaking. The total amount falling due under those loans at the year end is £26,251,937.

Townunit Limited

Notes to the Financial Statements For the Year Ended 31 July 2016

13. Deferred taxation

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	Deferred tax £
At 1 August 2015 and 31 July 2016	678,959
Utilised in year	160,000
At 31 July 2016	(518,959)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	559	559
Revaluation gains	518,400	678,400
	518,959	678,959

14. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
100 ordinary shares shares of £1 each	100	100

15. Reserves

The Company's capital and reserves are as follows:

Share Capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

Profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

Townunit Limited

Notes to the Financial Statements For the Year Ended 31 July 2016

16. Rent receivable under leases

At 31 July 2016 the Company had future minimum lease receipts due under operating leases as follows:

	2016 £	2015 £
Not later than 1 year	149,142	155,342
Later than 1 year and not later than 5 years	-	39,997

17. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

18. Ultimate parent company and ultimate controlling party

The company's immediate parent undertaking is Peer Group plc. Peer Group plc is the company's ultimate parent undertaking and the parent of the largest group for which consolidated accounts are prepared that include the results of the company. The financial statements of Peer Group plc are available from Companies House.

Peer Group plc has no single overall controlling party.

Townunit Limited

Notes to the Financial Statements For the Year Ended 31 July 2016

19. First time adoption of FRS 102

	As previously stated 1 August 2014 £	Effect of transition 1 August 2014 £	FRS 102 (as restated) 1 August 2014 £	As previously stated 31 July 2015 £	Effect of transition 31 July 2015 £	FRS 102 (as restated) 31 July 2015 £
Note						
Fixed assets	7,230,000	-	7,230,000	8,330,000	-	8,330,000
Current assets	44,177	-	44,177	300,042	-	300,042
Creditors: amounts falling due within one year	(118,945)	-	(118,945)	(127,119)	-	(127,119)
Net current (liabilities)/assets	(74,768)	-	(74,768)	172,923	-	172,923
Total assets less current liabilities	7,155,232	-	7,155,232	8,502,923	-	8,502,923
Creditors: amounts falling due after more than one year	(2,391,159)	-	(2,391,159)	(2,316,786)	-	(2,316,786)
Provisions for liabilities	(587)	(491,823)	(492,410)	(559)	(678,400)	(678,959)
Net assets	4,763,486	(491,823)	4,271,663	6,185,578	(678,400)	5,507,178
Capital and reserves	4,763,486	(491,823)	4,271,663	6,185,578	(678,400)	5,507,178

Townunit Limited

Notes to the Financial Statements For the Year Ended 31 July 2016

19. First time adoption of FRS 102 (continued)

	Note	As previously stated 31 July 2015 £	Effect of transition 31 July 2015 £	FRS 102 (as restated) 31 July 2015 £
Turnover		232,971	-	232,971
Gross profit		232,971	-	232,971
Administrative expenses		(55,844)	-	(55,844)
Operating profit		177,127	-	177,127
Investment property fair value movements	1	-	1,100,000	1,100,000
Interest payable and similar charges		(157,018)	-	(157,018)
Taxation	1	(1,857)	(186,577)	(188,434)
Profit on ordinary activities after taxation and for the financial year		18,252	913,423	931,675

Explanation of changes to previously reported profit and equity:

- 1 During the year ended 31 July 2015, fair value gains and losses were recognised directly in the reserves under previous UK GAAP. Under FRS102, The fair value gains and losses are recognised in profit or loss together with the associated deferred tax.